

## **Minutes of the Finance Committee**

**Wednesday, November 16, 2005**

Chair Haukohl called the meeting to order at 8:46 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Genia Bruce, Bonnie Morris, and Joe Marchese. Jim Behrend arrived at 8:47 a.m. Ken Herro and Don Broesch arrived at 8:50 a.m. Marchese left the meeting at 10:15 a.m. and Don Broesch and Genia Bruce left at 11:38 a.m.

**Also Present:** Legislative Policy Advisor Mark Mader, Emergency Government Coordinator Jim Malueg, Deputy Inspector Steve Marks, Sheriff's Business Manager Tom Koth, Budget Manager Keith Swartz, Administration Director Norm Cummings, Senior Financial Analyst Clara Daniels, District Attorney Paul Bucher, Office Services Coordinator Danni Danielski, Public Works Director Rich Bolte, Business Manager Betsy Crosswaite, Community Development Coordinator Glen Lewinski, Program Assistant Nancy Mojica, Employee Benefits Administrator Pete Hans, Collections & Business Services Manager Sean Sander, Senior Financial Analyst Linda Hein, Enterprise Operations Manager Pete Pulos, Administrative Services Manager Russ Kutz, Health & Human Services Director Peter Schuler, Risk Management Administrator Laura Stauffer, Senior Risk Management Analyst Jeff Newcomb, Register of Deeds Mike Hasslinger, and Senior Financial Analyst Andy Thelke. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of 11-2-05**

MOTION: Marchese moved, second by Bruce to approve the minutes of November 2<sup>nd</sup>. Motion carried 4-0.

Behrend arrived at 8:47 a.m.

### **Schedule Next Meeting Dates**

Haukohl said the next meeting is scheduled for December 7<sup>th</sup>. She suggested that committee members bring a treat to share.

Herro and Broesch arrived at 8:50 a.m.

### **Chair's Executive Committee Report of 11-14-05**

Haukohl advised of the following issues discussed at the last Executive Committee meeting.

- Approved ordinance 160-O-080, also on this agenda.
- UW-Extension Director Marcia Jante reviewed a grant application to continue the Huber / Community garden.
- Heard committee reports. Health & Human Services Committee Chair Duane Stamsta indicated the Public Health Division is addressing the Avian Flu.
- Approved the appointment of herself to the Park & Planning Commission by a vote of 6-1. Walter Kolb voted no.

### **Announcements**

Behrend announced he will not run for the State Assembly.

**Ordinance 160-O-081: Accept Homeland Security – Urban Area Security Initiative FY2005 Program Funding And Modify The Emergency Preparedness 2005 Budget To Appropriate Grant Revenues, Fund Balance, And Expenditures**

Malueg said this ordinance will allow them to accept an \$800,000 grant from the U.S. Department of Homeland Security to enhance capabilities to prevent, respond to, and recover from acts of terrorism. The funding will be used to purchase interoperable mobile data computer (MDC) devices and related equipment for law enforcement agencies within Waukesha County affiliated with the Waukesha County Communications Center. In addition, the ordinance requests \$70,000 from the End User Technology Fund for this purchase, not funded by the grant.

MOTION: Behrend moved, second by Broesch to approve ordinance 160-O-081. Motion carried 7-0.

**3<sup>rd</sup> Quarter Status Report on General Funds**

Swartz and Daniels discussed their report entitled “9 months – 2005 Budget Monitoring Summary Report – General Fund Operations.” Corrected copies were distributed. For nine months of 2005, actual expenditures were \$60.5 million or 68.8% of the total general fund modified expenditure budget. Expenditures for the same period in 2004 were \$57.8 million or 71.9% of total 2004 expenditures (Swartz advised of two exceptions). Operating revenues received through nine months in 2005 were \$23.8 million or 69.4% of the modified revenue budget. This compared favorably to the first nine months of 2004 when revenues of \$23.7 million were 68.1% of the total revenues earned for 2004.

**Fund Transfer 05-501000-01: Non-Departmental – Transfer funds from Operating Expenses to Personnel Expenses**

Cummings said this fund transfer involved transferring \$25,000 to cover unemployment compensation expenses which are currently estimated to exceed budget. The Non-Departmental budget includes \$55,000 to pay for special assessments of County owned property. The department currently estimates to have at least \$25,000 available within this account to transfer.

MOTION: Herro moved, second by Broesch to approve fund transfer 05-501000-01, Non-Departmental. Motion carried 7-0.

**Fund Transfer 05-041000-01: County Clerk – Transfer Funds from Contingency Fund to Personnel Expenses and Operating Expenses**

Swartz said this fund transfer involved transferring \$90,000 from the contingency fund to pay for the special election for the vacant County Executive position in October, a special November recall election in the City of Pewaukee, and a primary election in December for the 33<sup>rd</sup> Assembly District Representative position. Contingency funds are available for situations which cannot be anticipated or adequately planned for during the budget development / review process.

MOTION: Behrend moved, second by Morris to approve fund transfer 05-041000-01, County Clerk's Office. Motion carried 7-0.

**Fund Transfer 2005-138-01: District Attorney – Transfer Funds from Contingency Fund and Operating Expenses to Personnel Expenses**

Bucher discussed the fund transfer which involved transferring \$8,100 intra-agency and \$21,900 from the contingency fund. Personnel costs are estimated to be over budget as the department has

more staff electing county benefits and switching from single insurance coverage to the higher cost family coverage. In addition, the department has incurred about \$21,900 of operating expenses relating to the T. Oswald retrial which reduces available expenditure authority to internally cover the increased personnel costs. Department operating expenses are slightly under budget for travel, training, and office equipment repair and maintenance.

MOTION: Herro moved, second by Behrend to approve fund transfer 2005-138-01, District Attorney's Office. Motion carried 7-0.

Marchese left the meeting at 10:15 a.m.

### **Information Management Panel Report of 11-4-05**

Behrend said there's a new member on the panel. He is the chief information officer for the Milwaukee Journal and will be an asset to the panel. There was a lengthy discussion on the \$800,000 grant for the mobile data computer devices.

### **3<sup>rd</sup> Quarter Status Report on Proprietary Funds**

Sander and Hein were present to discuss the 3<sup>rd</sup> quarter budget status report of the County's various enterprise and internal service funds. Those funds that showed a net income at the end of the 3<sup>rd</sup> quarter were the Naga-Waukee Golf Course (\$363,715); Wanaki Golf Course (\$107,440); Materials Recycling (\$1,279,550); Vehicle/Equipment Replacement (\$108,180); Radio Services (\$407,555); Communications (\$47,862); and Collections (\$136,334). Those that showed a net loss were the Moor Downs Golf Course (-\$23,220); Naga-Waukee Ice Arena (-\$106,669); Eble Park Ice Arena (-\$73,226); Airport (-\$65,602); Central Fleet (-\$8,919); Records Management (-\$192,471); Risk Management/Worker's Compensation (-\$302,634); and End User Technology (-\$69,804).

### **Fund Transfer 05-061000-01: Corporation Counsel – Transfer Funds from Personnel Expenses to Operating Expenses**

The department requests to transfer \$20,000 to cover operating expenses which are projected to exceed budget, mainly due to costs incurred for contractual attorney coverage during an extended County Attorney vacancy. Staff estimate having at least \$20,000 available in Personnel Expenses due to an extended Senior Attorney position vacancy.

MOTION: Bruce moved, second by Broesch to approve fund transfer 05-061000-01, Corporation Counsel's Office. Motion carried 6-0.

### **Contract Procurement Process for Temporary Clerical Help Services**

The contract was awarded to Nissen Staffing Continuum, Inc. and TempsPLUS Staffing Service, the highest rated proposers, for a total contract cost of \$45,000. The contract will be utilized on an as-needed basis and actual dollars have been allocated in each department's budget. A total of seven RFP's were received for consideration.

MOTION: Behrend moved, second by Broesch to approve the contract procurement process for temporary clerical help services. Motion carried 6-0.

### **Fund Transfer 05-363140-01: Health & Human Services Department – Transfer Funds from Personnel Expenses to Operating Expenses**

Kutz and Schuler were present to discuss this issue which involves transferring \$47,300 in the Public Health Division. Kutz said this is mainly due to the division's need to realign the medication budget to more accurately reflect the cost of actual services being provided by the Travel and Immunization clinics. The Personnel cost budget is estimated to be under budget due to a position that was unfilled for about five months and overall under spending of health insurance costs versus budget.

MOTION: Behrend moved, second by Morris to approve fund transfer 05-363140-01, Health & Human Services Department. Motion carried 6-0.

**Ordinance 160-O-082: Appropriate State Of Wisconsin Division Of Public Health Women, Infant And Children Nutrition Program Grant Funding To The Waukesha County Department Of Health And Human Services**

Kutz said the WIC Program has experienced an increase in clients. They are seeing 2,223 per month which exceeds their goal of serving 2,120 per month. As a result, the State has awarded the County an increased allocation of \$17,552 bringing the total to \$310,000. The funds will be used to pay for temporary extra help, interdepartmental charges, and operating expenses which Kutz explained in detail.

MOTION: Bruce moved, second by Behrend to approve ordinance 160-O-082. Motion carried 6-0.

**Ordinance 160-O-079: Appropriate Additional Funds To The Central Fleet 2005 Budget For Fuel Usage**

Crosswaite and Bolte were present to discuss this issue. Crosswaite said the reason for the request for additional funds, totaling \$140,000, is due to price increases in fuel. She noted that usage has basically remained the same. Haukohl said gas prices are going down and she asked if the full \$140,000 will be needed. Bolte agreed regular gas prices were going down but the price for diesel remained high and future prices are unknown. The majority of their vehicles require diesel fuel.

MOTION: Behrend moved, second by Herro to approve ordinance 160-O-079. Motion carried 6-0.

The committee recessed at 11:38 a.m. and reconvened at 12:34 p.m. Broesch and Bruce did not return for the remainder of the meeting.

**Ordinance 160-O-080: Execute Subgrantee Agreements, HUD Grant Agreement And Funding Application For Final Statement Of Objectives And Projected Use Of Funds And Expenditure For Community Development Block Grant (CDBG) And Home Investment Partnership (HOME) Programs For The 2006 Program Year**

Lewinski distributed copies of "Summary of 2006 CDBG Allocation Based on \$1,594,845" and "2006 Community Development Block Grant Allocation" which included information on agency name, project title, and grant amount. The ordinance authorizes the County Executive to execute agreements with the Federal Government to accept up to the estimated amount of \$4,899,350 of CDBG and HOME grants consistent with the 2006 budget.

Haukohl said this ordinance was amended by the Executive Committee, basically to clarify that this was not all incoming grant dollars and that some was revolving loan program income. Lewinski went on to discuss the handouts in detail.

MOTION: Herro moved, second by Behrend to approve ordinance 160-O-080. Motion carried 4-0.

Morris left the meeting due to a conflict of interest with ordinance 160-O-083 and County Board Chair Jim Dwyer entered to complete a quorum.

**Ordinance 160-O-083: Modify Prescription Drug Benefits And Premium Policy Under The Retiree Health Insurance Plan**

Hans discussed the ordinance as outlined. He said Medicare Part D is a good thing for retirees because the federal government will be paying about 75% of a retiree's prescription drugs through Medicare. This reduces the burden on employer-sponsored health plans so our premiums have gone down. For example, the premium for a single person with Medicare Plan D under option 1 will be reduced from \$409 per month to \$237.

This ordinance changes the co-pays, effective January 1, 2006 which is when Medicare Part D goes into effect. Prescription drugs are available through the Humana Gold Choice and UnitedHealthcare plans although there is a big difference in the benefits. Hans said they have had extensive conversations with our retirees to ensure they understand the differences and how they will impact them financially. There are no changes with the medical benefits, only prescription drugs. With basic Medicare Part D, there is a \$250 deductible. Both plans will cover drugs for our Medicare eligible retirees from day one. The Humana co-pays remain the same: \$10 for generic, \$20 for preferred brand name, \$40 for non-preferred brand, and 25% for specialty drugs. UnitedHealthcare's co-pays will change from the existing plan: from \$10 to \$5 for generic, \$30 to \$28 for preferred, \$50 to \$56 for non-preferred, and from \$100 to 25% for specialty drugs.

He said the big issue with UnitedHealthcare are "donut holes" – a period when there is no coverage. This is part of the complicated Medicare Part D benefit designed by Congress. It begins when a retiree's total drug cost reaches \$2,250 and ends when total out-of-pocket expenses reach \$3,600. During the donut hole period, Medicare will not provide any coverage and this will be paid for out-of-pocket by the retirees. On the other hand, the Humana Gold Choice plan will provide coverage through the donut hole period. Staff have informed retirees of the donut hole. He advised that they are providing an alternative for Medicare retirees to have full comprehensive drug coverage through Humana. Retirees can switch from UnitedHealthcare to Humana during the open enrollment period which occurs once a year. UnitedHealthcare will review this policy after one year and decide whether or not to cover the donut hole.

Hans said another issue involving this ordinance is with the premium policy. When the County stopped subsidizing the retiree premiums by joining them with the active group several years ago, staff implemented a policy where retirees would be billed the lesser of the retiree premium rate or the active employee premium rate, the latter typically being less expensive. This was done for 18 months as a transition benefit to ease them into the retiree program premium cost. Hans said things have changed and from a benefits perspective, the retiree plan no longer looks anything like the active employee plan. The retiree premium rates are much more affordable then they had been. Further, they've recognized that that subsidy would have to be booked as an unfunded liability because of the new federal accounting rules. Hans advised if we revert back to charging employees the established retiree premium rate, we will have eliminated that potential unfunded liability. There will be no County subsidies as well. Effective January 1, 2007, retirees will pay the full retiree cost and there will no longer be a transition period. This will affect only those employees who retire prior to age 65.

MOTION: Behrend moved, second by Herro to approve ordinance 160-O-083. Motion carried 4-0.

Dwyer left the meeting and Morris returned.

**Fund Transfer 05-111000-01: Register of Deeds Office – Transfer Funds from Fixed Assets to Operating Expenses**

Hasslinger discussed this fund transfer which involved transferring \$10,000 to pay for a staffing study, related to the Optical Character Recognition implementation. This will be done by an independent outside third party. Funds are available in fixed assets which includes \$83,363 for OCR software implementation. 2005 and 2006 budget objectives provide for the reduction of 1.0 FTE, unless following implementation and acceptance of OCR software, an outside staffing report supports the retention of the position. The fixed assets expenses related to OCR implementation will be at least \$10,000 less than budgeted. Hasslinger said he does not know yet whether they are saving money since the project isn't fully completed. He noted that the final decision will be up to him and he can choose not to go through with the study.

MOTION: Herro moved, second by Behrend to approve fund transfer 05-111000-01, Register of Deeds Office. Motion carried 4-0.

**3<sup>rd</sup> Quarter Status Report on Claims**

Newcomb reviewed his report entitled "Waukesha County Worker's Compensation 2001-2005 Claims History Summary." In 2005, a total of 85 claims were opened and 50 remained open by the end of the 3<sup>rd</sup> quarter and the amount incurred was \$313,638. Stauffer went on to discuss her report entitled "Waukesha County Claims History 2001-2005." A total of 14 general liability claims were opened and 3 remained open by the end of the 3<sup>rd</sup> quarter. The total incurred was \$44,928. Regarding auto liability claims, 35 were opened, 15 remained open, and the total incurred was \$33,610. A total of 20 auto physical damage claims were opened and 8 remained open. The total incurred was \$43,393. With regards to property damage claims, a total of 24 claims were opened, 16 remained open and the total incurred was \$303,152. Stauffer and Newcomb explained the larger claims that have opened and those that have closed

MOTION: Behrend moved, second by Morris to accept the 3<sup>rd</sup> quarter status report on claims. Motion carried 4-0.

**Future Agenda Items**

Review Unfunded Mandates within the 2007 County Budget (Broesch)

MOTION: Behrend moved, second by Morris to adjourn at 1:48 p.m. Motion carried 4-0.

Respectfully submitted,

Bonnie J. Morris  
Secretary